Crisis faced by Steel Industry in Punjab

5140. SHRI IQBAL SINGH : Will the Minister of STEEL be pleased to state :

(a) whether the steel industry in the country, particularly in Punjab, is facing an acute crisis;

(b) if so, the details thereof and reasons therefor, industry-wise; and

(c) what action Government propose to take to help the steel industry in Punjab ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) to (c) The total production of finished steel in 1993-94 was 15.13 million tonnes (Provisional) showing a decline of about 0.5%. While the production of main producers had increased by about 4.2%, the production from secondary producers had declined by about 6.4%. The decline in production of secondary producers is mainly due to demand recession on account of factors like decline in construction activity, increase in input costs etc. Measures like extension of MODVAT to capital goods, increased allocations for health, rural development and infrastructure sectors in the budget of 1994-95 are expected to increase the demand for steel. The increase in demand will benefit the steel industry including steel industry in Punjab.

Adoption of marketing strategies by SAIL

5141. SHRI V. NARAYANASAMY :
SHRI BISHAMBHAR NATH PANDE :

Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that Steel Authority of India Limited is creating novel strategies for meeting the market access for its products because of the competition in the steel industry; and

(b) if so, what are the new strategies which the SAIL is going to adopt for better marketing of its goods ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) Yes, Sir. With the deregulation of the steel industry SAIL has reoriented its marketing strategies to consolidate and improve its market share vis-a-vis its competitors.

(b) The salient features of the new marketing strategy of SAIL include the following :

- Product mix is decided in terms of market demand.
- Intensification of Direct Customer Contact with a view to improve sales and customer service.
- Reorganisation of marketing set up at the field level to facilitate quick decision making.
- Emphasis on prompt & effective after sale services.
- Simplification of quality complaint procedures.
- Coordinating movement of material from SAIL plants to its stockyards in accordance with the orders placed by the customers.
- Movement of material from the plants to the natural markets in each region to facilitate quicker sales of materials.
- Intensification of the export effort. The export strategy is now an integral part of the overall Marketing Policy of the company and not confined only to the surplus categories.
- Strengthening of market intelligence unit.

Steel producing undertakings/firms in Punjab

5142. SHRI IQBAL SINGH : Will the Minister of STEEL be pleased to state :

(a) what are the names of undertakings/firms which are engaged in steel production in the country particularly in Punjab ?

(b) how much production capacity of each of the undertakings has been installed till March, 1994; and

(c) whether Government propose to give some concessions to reduce the cost of production of steel in view of promotion of steel export from the country during the current financial year ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) and (b) Besides the steel plants under SAIL and RINL in the public sector and TISCO in the private sector, there are 180 mini steel plants and a large number of induction furnace units in the country. The details of mini steel plants in Punjab are as follows :—

Sl. No.	Name of the Mini Steel Plant	Capacity (in tonnes)
1.	B.D.A. Steels (P) Ltd.	22,500
2.	Modern Steels Limited	36,000
3.	Mahavir Spinning Mills Ltd.	50,000
4.	Upper India Steel Mfrs. Co. Ltd.	50,000
5.	Punjab Concast Steels Ltd.	1,00,000
6.	Punjab Iron & Steel Co. (P) Ltd.	12,000
7.	Century Iron & Steel Ltd.*	50,000
8.	Pratap Steel Rolling Mills (1935) Ltd.	36,000

*closed since 1992-93

(c) Government has recently announced the reduction in custom duty on steel melting scrap and iron ore pellets respectively from 12.5% and 15% to 5% each. It is expected that these measures will reduce the cost of production of steel in the country.

Huge loss in ASP

5143. SHRI GAYA SINGH : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that ASP has made huge loss in the year 1993-94 in spite of profit in the last year;

(b) if so, what are the reasons therefor; and

(c) what action the management has taken to make up the loss incurred by the company ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) ASP is likely to incur loss during 1993-94 against the profit of Rs. 4.78 crores during 1992-93. Accounts for 1993-94 are not yet finalised.

(b) Reasons for losses in ASP are :

1. Lower production due to recession in demand.

2. Lower realisation of prices due to increasing competition from within and outside the country.

3. Increase in input prices not being compensated through price increases.

(c) Steps taken by SAIL to improve the profitability of ASP include; improving product-mix and making market oriented value added items, improving productivity, introducing energy conservation measures and greater thrust on cost control/cost reduction measures.

लौह अयस्क का भंडार

5144. **श्री अनन्तराव देवशंकर दवे** : क्या इस्पात मंत्री यह बताने की कृपा करेंगे कि :

(क) 1-4-1994 की स्थिति के अनुसार लौह अयस्क अर्थात् हेमेटाइट और मैग्नेटाइट के उपलब्ध भण्डार का ब्यौरा क्या है ?

(ख) हेमेटाइट अयस्क की उपलब्धता का राज्यवार और श्रेणीवार ब्यौरा क्या है?